CARLTON FOOTBALL CLUB
152ND ANNUAL FINANCIAL REPORT

2016 PRESIDENT EXECUTIVE SUMMARY

Season 2016 was a year of continued improvement, growth and unity.

After acknowledging in 2015 that the Carlton Football Club would undergo a full reset, we began to lay solid foundations for our future. With a new team of motivated individuals in key positions across the club, including our Senior Coach, we embarked on a new strategy in our pursuit for sustained success.

For the financial year ending 31 October, 2016, the Club generated an operating profit of $1.095M before depreciation, amortisation and grants.

This represents a $2million improvement on the previous year. Given our substantial annual depreciation, the statutory result is a loss of $765,119, compared to last year's loss of $2.7M.

There were also one-off payments brought into this year's accounts due to the early retirement of two players.

A commercially challenging fixture led to a decrease in attendance and gate receipts for the year.

A tremendous amount of work went into increasing corporate partnerships, hospitality and commercial revenues. A focus on non-traditional revenue streams, which would not be influenced by on-field performances, generated significant revenue, including 'Carlton in Business' and the 'Carlton House Project'. We are committed to building on this in 2017.

Membership was up 6% on the previous year, to over 50,000 members. This has been achieved only twice in our history, and gives us great confidence that our supporters are invested in our evolution. To those who signed up as members in 2016, I thank you.

Whilst 2017 will still have its challenges, we are anticipating a positive financial result.

On-field, we recorded seven wins, three more than the previous year.

Senior Coach Brendon Bolton and his group of assistants have transformed the football program.

In June, the Club was granted one of the first eight AFLW licenses. This was an incredibly important moment in the history of our club. Our success in obtaining one of the four Victorian licenses demonstrates that the AFL has acknowledged that our football club is committed to gender equality.

The Club continues to immerse itself in authentic community programs, including the launch of 'Carlton Respects', a new family violence prevention initiative, promoting respect and equality.

Late last year our Board size decreased from 10 to 8 and remains unchanged for 2017. We remain united and dedicated to the continual growth of the Carlton Football Club.

Our biggest asset, not recorded on our balance sheet, is our people, who work tirelessly to make Carlton a better organisation. I congratulate and thank our executive and management teams, staff, coaches, players and volunteers on your efforts this year.

The pursuit of success will take time, patience, and effort, but we have the right people in place across all areas of the football club and a club-wide belief in our purpose.

There are exciting times ahead at the Carlton Football Club.

I encourage you to join us on the journey.

Mark LoGiudice,
President, Carlton FC
Member ID: 1201017

CARLTON FOOTBALL CLUB LIMITED
A.C.N. 005 449 909
(Company Limited by Guarantee)

152nd ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 OCTOBER 2016

CARLTON FOOTBALL CLUB LIMITED

DIRECTORS' REPORT

The Directors present their report on the results of the Carlton Football Club Ltd ("the Football Club") for the year ended 31 October 2016, and the state of affairs at that date.

1. Directors

The Directors in office during the year were:

M LoGiudice, M Clarke, A Fahour (resigned 18 December 2015), I Fried, R. Geminder (resigned 18 December 2015), A Gleeson, K Jenkins, C Mathieson, J Pratt AC and L Sayers.

All Directors, unless otherwise indicated, were in office from the beginning of the year until the date of this report. Particulars of Directors in office are disclosed in Note 24 of these accounts.

2. Company Secretary

The Company Secretary at the date of this report is Mr Sam Power.

3. Principal Activities

The principal activities of the Football Club during the year were to promote and play Australian Rules Football in the Australian Football League ("AFL"), in which Carlton holds one of the eighteen licenses.

4. Operating Results and Review of Operations

The Football Club EBDAG(1) for the year ended 31 October 2016 was a profit of $1,095,266, this compares to an EBDAG loss of $946,847 for the prior comparative year. This resulted in a $765,119 net loss for the 2016 financial year compared to a net loss of $2,718,876 for the prior comparative year. The following factors were key contributors to the improvement in financial performance:

- A $1,006,824 decrease in football related expenditure driven by a reduction in Football Coaching and High Performance expenses, partially offset by an increase in the AFL imposed equalisation tax to $330,000 (2015: $250,000).

- A $1,559,890 increase in Partnerships, Hospitality and Commercial revenues. The Club has focused on creating new non-traditional revenue streams in 2016 that are not influenced by on field performance. The Club successfully implemented the new Carlton in Business coterie group generating $608,000 in new revenue and developed a house and land package generating a net profit of $299,849.

- A $455,896 increase in member venues net contribution due to cost savings across the four venues with gaming revenues marginally down on the prior comparative year.

- A pleasing 50,202 members in 2016 compared to 47,305 in 2015. The Club would like to acknowledge and thank the continued financial contribution of its members. Whilst an increase in total members the net membership revenues of $8,618,194 was down from $8,651,762 in 2015. The retraction in membership revenues was due a reduction in reserve seat memberships resulting in the yield per member declining.

- Whilst it was a challenging year on field and a commercially poor fixture 784,445 fans attended Carlton matches in 2016 and 12,667,383 television viewers were recorded during the 2016 season. This resulted in gate receipts of $1,909,420, down $779,646 compared to the prior year.

The Club continues to maintain a term overdraft facility with Westpac Banking Corporation to fund the working capital requirements of the Club. As at 31 October 2016 the Club had $5,000,000 in outstanding borrowings with an expiry 31 December 2017.

(1) EBDAG represents Earnings before depreciation, amortisation and government grants. The Club did not receive any government grants during the 2016 and 2015 financial year.

CARLTON FOOTBALL CLUB LIMITED

DIRECTORS' REPORT (CONT.)

The Football Club's community investment continues to grow, with the London Benchmarking Group (LBG) independently auditing the Clubs community investment at $1,007,002 (2015: $1,019,040). The Club continues to invest in the Blues Foundation (formerly known as the Carlton Football Community Fund), delivering community, educational, multicultural and environmental programs to over 20,000 young people per annum.

Dividends
No dividends were paid or declared during the financial year. The Football Club is precluded from paying dividends by its Constitution.

Short and long term objectives of the organization:

Our objective as a Club is to be the most inclusive and united sporting organisation. We aim to achieve our mission via the following drivers of success:

- Committing to a strong and united culture;
- Setting the benchmark in talent and development of our people;
- Putting our members and supporters at the centre of everything we do;
- Elite List Management and Football Programs;
- Building attendance and the game-day experience;
- Immersing the club in meaningful and authentic community programs;
- Further developing quality facilities for playing personnel, administration and our supporters;
- Engaging in open and honest communication with our supporters and stakeholders;
- Ensuring excellent customer service and delivery of strong revenue streams; and
- Protecting and projecting Carlton – respecting the past, but being focused on the future.

5. Significant Changes in the State of Affairs

During the financial year, there was no significant change in the state of affairs of the Club other than that referred to in the financial statements or notes thereto.

6. Subsequent Events

In the period between the end of the financial year and the date of this report, no matter or circumstance has arisen that has significantly or may significantly affect the operations of the Football Club, the results of those operations or the state of affairs of subsequent financial years.

7. Future Developments

Disclosure of information regarding likely developments in the operations of the Club in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Club. Accordingly, this information has not been disclosed in this Report.

8. Environmental Regulation

The Directors believe that the operations of the economic entity are not subject to any particular or significant environmental regulation.

Environmentally Sustainable Design (ESD) initiatives have been incorporated into the facilities at Ikon Park.

CARLTON FOOTBALL CLUB LIMITED

DIRECTORS' REPORT (CONT.)

9. Auditor Independence and Non-Audit Services

The directors have received an Independence Declaration from the auditor of the Football Club as set out on page 5 and it forms part of the director's report for the year ended 31 October 2016.

Ernst & Young did not receive and are not due to receive any fees for the provision of non-audit services.

10. Indemnification and Insurance of Directors and Officers

During the financial year the Football Club paid premiums to ensure each of the Football Club's Directors and Officers against liabilities for costs that may arise out of their conduct while acting in the capacity of Director or Officer of the Football Club.

The Directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the Directors and Officers Liability insurance contract, as such disclosure is prohibited under the terms of the contract.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young during or since the financial year.

Signed in accordance with a resolution of the Directors at Carlton this 7 December 2016.

Mark LoGiudice
President

Ernst & Young
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Melbourne VIC 3000 Australia
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Building a better working world

Auditor's Independence Declaration to the Directors of Carlton Football Club Limited

As lead auditor for the audit of Carlton Football Club Limited for the financial year ended 31 October 2016, I declare to the best of my knowledge and belief, there have been:

a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
b) No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Carlton Football Club Limited and the entities it controlled during the financial year.

Ernst & Young

Kylie Bodenham
Partner
7 December 2016

CARLTON FOOTBALL CLUB LIMITED

STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME

YEAR ENDED 31 OCTOBER 2016

	Notes	2016	2015
		$	$
Revenue	5	54,390,069	54,052,486
Membership related expenses		(3,455,481)	(3,173,263)
Administration expenses		(3,594,932)	(3,213,701)
Operating expenses	6(b)	(47,784,404)	(49,076,126)
Borrowing costs	6(a)	(234,178)	(373,049)
Depreciation and lease amortisation	6(a)	(1,710,834)	(1,618,332)
Amortisation of intangible	6(a)	(153,697)	(153,697)
Profit / (Loss) on disposal of non-current assets		(3,478)	23,195
Other income		1,781,816	813,611
Net Profit/(Loss)		**(765,119)**	**(2,718,876)**
Other Comprehensive Income/(Loss)		**(4,146)**	-
Total Comprehensive Income/(Loss) for the period		**(769,265)**	**(2,718,876)**

The above Statement of Profit and Loss and Comprehensive Income should be read in conjunction with the accompanying notes.

CARLTON FOOTBALL CLUB LIMITED

STATEMENT OF CONSOLIDATED FINANCIAL POSITION
AS AT 31 OCTOBER 2016

	Notes	2016	2015
		$	$
CURRENT ASSETS			
Cash and cash equivalents	4	1,935,330	2,733,391
Trade and other receivables	7	2,585,061	2,143,113
Inventories	8	334,965	412,799
Other assets	9	418,242	185,803
TOTAL CURRENT ASSETS		**5,273,598**	**5,475,106**
NON CURRENT ASSETS			
Property, plant and equipment	10	17,976,731	18,231,391
Intangible assets	11	890,165	1,043,862
Other Financial Assets	12	550,579	-
TOTAL NON CURRENT ASSETS		**19,417,475**	**19,275,253**
TOTAL ASSETS		**24,691,073**	**24,750,359**
CURRENT LIABILITIES			
Trade and other payables	13	6,767,489	5,526,308
Income received in advance	14	2,013,234	2,109,546
Interest bearing liabilities	15	757,668	685,420
Provisions	16	784,916	833,942
TOTAL CURRENT LIABILITIES		**10,323,307**	**9,155,216**
NON CURRENT LIABILITIES			
Trade and other payables	13	147,813	276,391
Interest bearing liabilities	15	5,962,270	6,304,336
Provisions	16	117,288	104,756
TOTAL NON CURRENT LIABILITIES		**6,227,371**	**6,685,483**
TOTAL LIABILITIES		**16,550,678**	**15,840,699**
NET ASSETS		**8,140,395**	**8,909,660**
Retained profits		8,140,395	8,909,660
TOTAL EQUITY		**8,140,395**	**8,909,660**

The above Statement of Consolidated Financial Position should be read in conjunction with the accompanying notes.

CARLTON FOOTBALL CLUB LIMITED

CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 OCTOBER 2016

	Notes	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		58,735,082	60,618,245
Payments to suppliers and employees		(59,617,171)	(59,865,067)
Other Income		1,781,816	813,611
Interest received		5,299	15,306
Borrowing costs paid		(230,043)	(362,837)
NET CASH PROVIDED BY /(USED IN) OPERATING ACTIVITIES		**674,983**	**1,219,258**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(514,037)	(181,220)
Investment in Other Financial Assets		(4,500)	-
Payment for gaming entitlements		(272,751)	(254,085)
NET CASH PROVIDED BY /(USED IN) INVESTING ACTIVITIES		**(791,288)**	**(435,304)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	700,000
Repayment of interest bearing liabilities		(616,998)	(446,766)
Repayment of finance lease principal		(64,758)	(273,086)
NET CASH PROVIDED BY /(USED IN) FINANCING ACTIVITIES		**(681,756)**	**(19,852)**
Net increase/(decrease) in cash and cash equivalents held		(798,061)	764,102
Cash and cash equivalents at the beginning of the year		**2,733,391**	**1,969,289**
Cash and cash equivalents at the end of the year	**4**	**1,935,330**	**2,733,391**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

CARLTON FOOTBALL CLUB LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 OCTOBER 2016

	Retained Earnings	Foreign Currency Translation Reserve	Total Equity
	$	$	$
BALANCE AS AT 1 NOVEMBER 2014	**11,628,536**	**-**	**11,628,536**
Profit for the year	(2,718,876)	-	(2,718,876)
BALANCE AS AT 31 OCTOBER 2015	**8,909,660**	**-**	**8,909,660**
Profit for the year	(765,119)	-	(765,119)
Other comprehensive Income	-	(4,146)	(4,146)
BALANCE AS AT 31 OCTOBER 2016	**8,144,541**	**(4,146)**	**8,140,395**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 1 CLUB INFORMATION

The Football Club was formed in 1864 and incorporated in Melbourne, Australia, on 20 June 1978.

The registered office of the Football Club is located at Ikon Park, Royal Parade, Carlton North, 3054.

The principal activities of the Football Club during the year were to promote and play Australian Rules Football in the Australian Football League ("AFL"), in which Carlton holds one of the eighteen licences. The financial report of the Football Club for the year ended 31 October 2016 was authorised for issue in accordance with a resolution of the directors on 7 December 2016. Carlton Football Club is a Company Limited by Guarantee and is a not-for-profit entity.

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared in accordance with the historical cost convention.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

(b) Statement of Compliance

The Group has adopted AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure*.

The consolidated financial statements of the Football Club are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB-RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Other Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Football Club for the annual reporting period ended 31 October 2016.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have a significant impact on the financial performance or position of the Company. No other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have been early adopted.

(c) Going Concern

As at 31 October 2016 the Carlton Football Club Limited has a current asset deficiency of $5,049,709 (2015: 3,680,111) and incurred an operating loss of $765,119 (2015: $2,718,876) for the year ended 31 October 2016.

Notwithstanding the current asset deficiency of the Football Club, the accounts have been prepared on the basis that the Carlton Football Club Limited is a going concern. The appropriateness of adopting this basis is dependent on the Football Club being able to successfully generate sufficient funds through membership, sponsorship, fundraising, gate receipts and other revenue sources in addition to receiving AFL distributions, to meet its debts as and when they become due and payable and to continue to fund its ongoing operations.

The directors also note the following factors:

- The Football Club's banker ("Westpac") and the Australian Football League ("AFL") have continued to provide financial support through to the date of this report. The facility from Westpac is in the form of a commercial bill facility (balance at 31 October 2016 of $5,000,000) with a fixed term that expires on 31 December 2017. The AFL provides a guarantee for the full amount of the Westpac facility which also expires on 31 December 2017.

- The AFL commitment to provide additional financial support should it be required.

- A cash flow positive business performance.

Should the Football Club not continue as a going concern it may be required to realise assets other than in the ordinary course of operations and at amounts other than those recorded in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(d) Significant accounting judgments, estimates and assumptions

(i) Impairment of Intangible Assets

The Football Club assesses impairment of intangible assets at each reporting date by evaluating conditions specific to the Football Club and to the particular asset that may lead to impairment. In reviewing potential impairment of intangible assets reference is made to factors including forecast future cash flows and discount rates. To the extent that intangible assets are determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

(e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Sales revenue is detailed in note 5 and comprises revenue earned from partnership, hospitality and commercial, AFL dividends & distributions, membership & reserved seating, gaming, gate receipts, merchandise and fundraising. Revenues are recognised at the fair value of the consideration received, net of the amount of goods and services tax (GST). The following specific recognition criteria must also be met before revenue is recognised:

Partnership Income

In accordance with a payment schedule upon receipt of a signed sponsorship agreement. Sponsorship involving contra arrangements are recognised as revenue equivalent to the fair value of services provided by the sponsor.

Sale of Goods
Control of the goods has passed to the buyer.

Interest
Control of a right to receive consideration for the provision of, or investment in, assets has been attained.

Gaming revenue
Gaming revenue is recognised net of gaming wins and losses.

ASF Grants
ASF Grants are recognised upon receipt of cash.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(f) Plant and Equipment

Cost
Items of plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation
Depreciation is provided on all plant and equipment over their estimated useful lives.

Major depreciation periods are:	2016	2015
• Equipment	3-10 years	3-10 years
• Furniture and fittings	7 years	7 years
• Leasehold improvements & buildings	26 years	26 years

Leases

Leases are classified at their inception as either operating or finance leases based in the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating Leases
Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Finance Leases
Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased term to the Football Club are capitalised at the present value of the minimum lease payments and disclosed as property, plant and equipment under lease. A lease liability of equal value is also recognised.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the assets and the lease term.

Lease payments are apportioned between finance charges and reduction of the lease liability so that a constant rate of interest is recognised on the remaining balance of the liability.

(g) Inventories

Inventories are valued in the accounts at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business.

(h) Trade and Other Receivables

Trade Receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for impairment is made when there is objective evidence that the Football Club will not be able to collect the debts. Bad debts are written-off when identified.

Receivables from related parties are initially recognised at fair value and carried at amortised cost. Interest is taken up as income on an accrual basis.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(i) Trade and Other Payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Football Club prior to the end of the financial year that are unpaid and arise when the Football Club becomes obliged to make future payments in respect of the purchase of these goods and services.

Payables to related parties are initially recognised at fair value and carried at amortised cost. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(j) Intangibles

Gaming Entitlements

The Football Club acquired 260 gaming machine entitlements (GME) at auction in May 2010 and a further 30 GMEs via the gaming machine transfer market in July 2012. These GME's came into effect on 16 August 2012, at which time the present value of the GME purchase price was recorded as an intangible asset and a liability recorded for payment for the entitlements which are to be made over the remaining year. The useful life of this intangible asset expires in line with the expiry of the gaming entitlements in August 2022. The asset is being amortised on a straight line basis over 10 years.

(k) Impairment

Plant & Equipment and Intangible assets
The carrying values of plant and equipment and intangible assets are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Football Club would, if deprived of the asset, replace the asset, value in use is determined as the depreciated replacement cost of the asset.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the income statement in the cost of sales line item.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Financial Assets
The entity assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss has been incurred on a financial asset, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

The discount rate used for financial assets carried at amortised cost is the financial asset's original effective interest rate (i.e. The effective interest rate computed at initial recognition).

(l) Income Tax

As a club established for the encouragement of a game or sport, Carlton Football Club Limited is exempt from income tax in accordance with section 50-45 of the Income Tax Assessment Act 1997.

(m) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts. All other employee entitlement liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to high quality corporate bonds which have terms to maturity approximating the terms of the related liability are used.

(n) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST). The amounts reported for receivables and payables are inclusive of GST. The net amount of GST receivable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Cash flows from operating activities are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows applicable to investing and financing activities that are recoverable from, or payable to, the ATO are classified in operating cash flows.

(o) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market investments readily convertible to cash within two working days, net of outstanding bank overdrafts.
Bank overdrafts are carried at the principal amount. Cash on hand and in banks are stated at nominal value.

(p) Comparative Figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(q) Members' Liability on Winding Up

The Football Club is a company limited by guarantee and domiciled in Australia. Accordingly the liability of the members of the Football Club is limited. As stated in clause 4 of the Football Club's Memorandum of Association, each member of the Football Club undertakes to contribute to the assets of the Football Club in the event of it being wound up while they are a member or within one year afterwards for payment of the debts and liabilities of the Football Club contracted before they cease to be a member and of the costs, charges and expenses of winding up the Football Club and for the adjustment of the rights of the contributories amongst themselves such amount as may be required not exceeding fifty dollars ($50).

(r) Interest Bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest–bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised. Borrowing costs are recognised as an expense when incurred.

(s) Derecognition of Assets

A financial asset is derecognised when the rights to receive cash flows from the asset have been extinguished or expired.

(t) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 October 2016. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

(u) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. Acquisition-related costs are expensed as incurred, and included in administrative expenses.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(u) Business combinations (cont)

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date.

NOTE 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Football Club's principal financial instruments comprise receivables, payables, bank commercial bill facility, AFL loan, other loans, unsecured debentures, and cash.

The main purpose of these financial instruments is to raise finance for the Football Club's operations. It is, and has been throughout the period under review, the Football Club's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Football Club's financial instruments are interest rate risk, credit risk and liquidity risk. The Football Club uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of prevailing market interest rates, analysing and monitoring of customers for credit risk, and assessing liquidity risk by producing future rolling cash flow forecasts, which are performed on a monthly basis.

Primary responsibility for identification and control of financial risks rests with the Finance sub-committee under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below, including interest rate risk, credit terms and future cash flow forecast projections.

Fair Values

The fair values of the Football Club's financial instruments are materially consistent with the carrying amounts recognised in the financial statements.

Risk Exposures and Responses

Interest Rate Risk

The Football Club's exposure to market interest rates relates primarily to the Football Club's debt facility obligations. The facility is provided by Westpac. The level of debt is disclosed in Note 15. The Football Club regularly analyses its interest rate exposure, cash and debt levels. The Football Club has a Commercial Bill Facility of $5,000,000.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT.)

Foreign Currency Risk

The Football Club holds securities in Fronde Systems Group Ltd trading on the unlisted New Zealand exchange denominated in New Zealand Dollars. Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Capital Management

In managing capital, the Football Club aims to maintain a stable capital base, capable of withstanding cash flow fluctuations, but flexible enough to accommodate the Football Club's plans for growth. The Football Club aims to maintain an optimal capital structure to reduce the cost of capital and maximise benefits to members.

The capital structure of the group consists of debt, which includes interest-bearing loans as disclosed in Note 15, cash and cash equivalents.

The Football Club is not subject to any externally imposed capital requirements.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 4 CASH AND CASH EQUIVALENTS

	2016 $	2015 $
Reconciliation of cash		
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows comprise the following items:		
Cash on hand	592,541	523,462
Cash at bank	1,342,789	2,209,929
Cash and cash equivalents	**1,935,330**	**2,733,391**
Non cash financing activities		
Acquisition of assets by means of finance lease	**350,370**	**90,451**

NOTE 5 REVENUES

	2016 $	2015 $
Partnerships, Hospitality and Commercial	13,623,204	12,063,625
AFL income	10,238,834	9,938,232
Membership	8,618,194	8,651,762
Member venue revenue	17,949,201	18,098,704
Gate receipts	1,909,420	2,689,066
Merchandise	1,093,580	1,033,097
Fundraising	111,619	268,512
Interest income	5,299	15,306
Other football operations income	840,718	1,294,183
Total revenues	**54,390,069**	**54,052,486**

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 6 EXPENSES AND LOSSES/(GAINS)

		2016 $	2015 $
(a)	**Expenses**		
	Cost of merchandise sold	707,046	539,895
	Merchandise Inventory write off	110,926	59,833
	Depreciation of non-current assets		
	-Plant and equipment	1,592,352	1,510,640
	-Leased assets	118,482	107,692
		1,710,834	1,618,332
	Amortisation of non-current assets		
	-Intangible assets	153,697	153,697
	Total depreciation and amortisation expenses	**1,864,531**	**1,772,029**
	Lease payments – operating lease	88,121	88,121
	Borrowing costs expensed		
	Interest expense		
	-Finance lease	4,136	10,212
	-Gaming entitlement	22,814	35,759
	-Commercial Bill, AFL Facility, other loans	207,228	327,078
	Total borrowing costs expensed	**234,178**	**373,049**
(b)	Football department costs	21,598,464	22,525,287
	Member venue costs	15,188,892	15,794,291
	Marketing and other department costs	10,997,048	10,756,548
		47,784,404	**49,076,126**
(c)	**Personnel Expenses ***		
	Wages and salaries	22,246,276	23,042,227
	Contributions to superannuation	1,464,758	1,412,361
	Movement in employee entitlements	119,347	(101,484)
		23,830,381	**24,353,104**

* Personnel expenses in note 6(c) are included in Operating expenses in note 6(b)

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 7 TRADE AND OTHER RECEIVABLES

Current	2016 $	2015 $
Trade receivables	1,077,467	746,786
Provision for doubtful debts	(26,095)	(19,790)
Trade receivables	**1,051,372**	**726,996**
Other receivables	1,523,710	1,347,937
Related party loans	9,979	68,180
Total trade receivables	**2,585,061**	**2,143,113**

Trade receivables and allowance for impairment

Trade receivables are non-interest bearing and are generally on 30 – 60 day terms.

An allowance for impairment (impairment loss) is recognised when there is objective evidence that a trade receivable is impaired.

	31-Oct-16 $	31-Oct-15 $
Allowance for impairment losses opening balance	(19,790)	(27,656)
Amounts provided for	(26,095)	(19,790)
Amounts written off	19,790	27,656
Allowance for impairment losses closing balance	**(26,095)**	**(19,790)**

The Football Club maintains direct contact with debtors and is satisfied that payment of the amounts past due but not impaired will be received.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 8 INVENTORIES

	2016 $	2015 $
Merchandise stock		
At lower of cost and net realisable value	233,463	322,802
Other inventory	101,502	89,997
	334,965	**412,799**

NOTE 9 OTHER ASSETS

	2016 $	2015 $
Current		
Prepayments	418,242	185,803
	418,242	**185,803**

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 10 PROPERTY, PLANT AND EQUIPMENT

	2016 $	2015 $
Plant & equipment		
At cost	9,146,906	7,886,883
Accumulated depreciation	(5,857,881)	(5,069,012)
Net carrying amount	**3,289,025**	**2,817,871**
Furniture and fittings		
At cost	429,879	363,518
Accumulated depreciation	(240,932)	(203,799)
Net carrying amount	**188,947**	**159,719**
Leasehold improvements & buildings		
At cost	19,631,080	19,631,080
Accumulated depreciation	(5,132,321)	(4,377,279)
Net carrying amount	**14,498,759**	**15,253,801**
Total plant and equipment	**17,976,732**	**18,231,391**

Reconciliations

Movements in the carrying amount of each class of plant & equipment between the beginning and the end of the current financial year are set out on the following page.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

2016	Plant & Equipment	Furniture & Fittings	Leasehold Improvements	Total
	$	$	$	$
Carrying amount at the beginning of the year	**2,817,871**	**159,719**	**15,253,801**	**18,231,391**
Additions	1,438,865	66,362	-	**1,505,226**
Disposals / Transfers	(49,052)	-	-	**49,052**
Depreciation expense	(918,659)	(37,133)	(755,042)	**(1,710,834)**
Carrying amount at year end	**3,289,025**	**188,947**	**14,498,759**	**17,976,732**

Plant & Equipment pledged as security for liabilities. Leased IT equipment and motor vehicles are pledged as security for the related finance lease, and EGM's are pledged as security for related loan with SME Finance.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 11 INTANGIBLE ASSETS

Reconciliation of carrying amount at the beginning and end of the period

	2016	2015
	$	$
Gaming entitlement at cost	1,536,971	1,536,971
Accumulated amortisation	(646,806)	(493,109)
Net carrying amount	**890,165**	**1,043,862**

Gaming Entitlements	2016	2015
	$	$
Carrying amount at the beginning of the year	1,043,862	1,197,558
Amortisation	(153,697)	(153,696)
Carrying amount at the end of the year	**890,165**	**1,043,862**

The Football Club acquired 260 gaming machine entitlements (GME) at auction in May 2010 and a further 30 GMEs via the gaming machine transfer market in July 2012. These GME's came into effect on 16 August 2012, at which time the present value of the GME purchase price has been recorded as an intangible asset as payment for the entitlements are to be made over 5 years. The useful life of this intangible asset expires in line with the expiry of the gaming entitlements in August 2022. The asset is being amortised on a straight line basis over those 10 years.

Refer to note 2(j) for a description of gaming entitlements.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 12 OTHER FINANCIAL ASSETS

Non Current

	2016	2015
	$	$
Sapphire Holdings Group Pty Ltd [(a)]	304,725	-
Fronde Systems Group Ltd [(b)]	245,854	-
	550,579	**-**

(a) The Club was issued 300,000 shares at $1 in Sapphire Holdings Group Ltd (SHG) on 2 May 2016. SHG periodically seek an independent valuation at the enterprise value and adjust the share price accordingly or issue new shares should the enterprise value increase. The Club recorded a dividend of $4,725 during the financial year and elected to reinvest in SHG.

(b) The Club was issued 231,250 shares in Fronde Systems Group Limited as part of a partnership arrangement on 16 May 2016. The shares are issued in New Zealand Dollars. At 31 October 2016, the Club has assessed the shareholdings based on market value. An adjustment to the shareholdings value has been made based on foreign currency exchange rates.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 13 TRADE AND OTHER PAYABLES

		2016 $	2015 $
Current			
Trade creditors		2,752,474	2,290,831
Other Loans – VCGLR	**(a)**	276,389	267,024
Other creditors		3,738,626	2,968,453
		6,767,489	**5,526,308**
Non Current			
Other Loans – VCGLR	**(a)**	-	276,391
Other creditors		147,813	-
		147,813	**276,391**

a) Loans - Victorian Commissioner of Gaming and Liquor Regulation

The current loans totalling $276,389 relate to amounts payable to the Victorian Commissioner of Gaming Regulation and Liquor for the remainder of gaming entitlements over the next year.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 14 INCOME RECEIVED IN ADVANCE

Current	2016 $	2015 $
Membership	1,679,541	1,743,290
Sponsorship and hospitality	333,693	366,256
	2,013,234	**2,109,546**

The Football Club launched its 2016 membership campaign on 4 October 2016. Memberships received prior to 31 October 2016 are recorded as income received in advance.

NOTE 15 INTEREST BEARING LIABILITIES

Current		2016 $	2015 $
Lease liability	**(a)**	194,417	163,187
Other loans	**(b)**	563,251	522,233
		757,668	**685,420**
Non Current			
Commercial bills	**(c)**	5,000,000	5,000,000
Lease liability	**(a)**	282,528	61,343
Unsecured – notes		12,279	12,279
Other loans	**(b)**	667,463	1,230,713
		5,962,270	**6,304,336**

a) Finance Leases
The current and non-current lease liabilities totalling $476,945 (2015: $224,531) represents finance leases maturing between 2016 and 2019 with fixed interest rates between 3% and 6.5%.

b) Other loans
Other loans relate to the acquisition of Electronic Gaming Machines (EGMs). These loans, secured against EGM's, are repayable over a five year term. The total balance at 31 October 2016 is $1,230,713 (2015: $1,752,946).

c) Commercial Bill facilities
The Football Club has $5,000,000 in Commercial Bill facilities provided by Westpac which are secured by a guarantee limited to $5,000,000 given by the Australian Football League (the guarantee expires on 31 Dcember 2017). As at 31 October 2016, the facility is fully utilised.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 16 PROVISIONS

	2016 $	2015 $
Employee benefits		
Annual leave:	447,347	432,496
Long service leave (current)	337,569	401,446
	784,916	**833,942**
Long service leave (non-current)	**117,288**	**104,756**

NOTE 17 COMMITMENTS

	2016 $	2015 $
Player Contracts		
Amounts contracted to AFL players		
Not later than one year	10,066,455	8,395,000
Later than one year but not later than two years	4,838,970	6,420,000
Later than two years but not later than five years	4,380,000	3,000,000
	19,285,425	**17,815,000**

Operating lease commitments

The Football Club has a 40 year lease agreement with the Melbourne City Council for the Ikon Park venue that continues through until 2035. The annual rent is $88,121 (2015: $88,121).

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 17 COMMITMENTS (CONT.)

Finance lease commitments

The Football Club has finance lease contracts for various items of IT equipment, EGM's and motor vehicles with a carrying amount of $476,945 (2015: $224,531). These lease contracts expire within three to five years.

	2016	2015
	$	$
Finance lease commitments		
Within one year	205,691	169,013
After one year but not more than five years	294,842	63,062
Less future finance charges	(23,588)	(7,544)
Carrying amount of finance lease liabilities	**476,945**	**224,531**

Rent and Management Fees:

The Football Club has entered into lease agreements and management agreements payable to ALH and Michael O'Brien pertaining to the Football Club's member venues which are effective through to 2022. The Football Club's commitments under these agreements are as follows:

	2016	2015
Rent	$	$
Within one year	3,205,954	3,380,764
After one year but not more than five years	13,814,889	14,568,171
After five years	3,922,068	7,690,207
Total rental payments	**20,942,911**	**25,639,142**

Management Fee	$	$
Within one year	1,662,398	1,567,276
After one year but not more than five years	7,163,501	6,753,603
After five years	2,144,443	3,412,087
Total management fee payments	**10,970,342**	**11,732,966**

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 18 CONTINGENCIES

There are no material contingent liabilities or contingent assets as at 31 October 2016.

NOTE 19 MEMBERS' CONTRIBUTION

The amount capable of being called up in the event of, and for the purpose of, the winding up of the Football Club is limited to $50 per member, subject to the provision of the Constitution.

NOTE 20 SUBSEQUENT EVENTS

In the period between the end of the financial year and the date of this report, no matter or circumstance has arisen that has significantly or may significantly affect the operations of the Football Club, the results of those operations or the state of affairs of the Football Club in subsequent financial years.

NOTE 21 DIRECTORS' REMUNERATION

Non-executive directors do not receive directors' fees, but the Football Club has paid premiums in respect of indemnification and insurance of directors.

Disclosure of the liabilities covered and the amount of the premiums paid in respect of the Directors and Officers Liability insurance contract is prohibited under the terms of the contract.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 22 PARENT ENTITY

The following information relates to the Carlton Football Club (The Parent Entity)

	2016 $	2015 $
Current assets	5,212,858	5,473,941
Non-Current Assets	19,417,474	19,275,253
Current liabilities	(10,438,174)	(9,155,081)
Non-Current Liabilities	(6,110,511)	(6,685,482)
Net assets	**8,081,647**	**8,908,630**
Accumulated Surplus	**8,081,647**	**8,908,630**
Profit/(loss) of the Parent Entity	(826,446)	(2,719,344)
Total Comprehensive Income/(loss) of the Parent Entity	(826,446)	(2,719,344)

Refer to note 17 for details of the Parent Entity commitments.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 23 RELATED PARTY

Key Management personnel as at 31 October 2016 are as follows:

- Chief Executive Officer - Steven Trigg
- Human Resources Manager - Luisa Amarella
- General Manager Business Development – Christie Downs (commenced 1 July 2016)
- General Manager Corporate Sales & Partnerships – Sam Eustice (commenced 27 June 2016)
- Chief Financial Officer - Simon Kelleher
- General Manager Football - Andrew McKay
- General Manager Consumer and Marketing – Emily Pilling (commenced 11 July 2016)

During the financial year the following Key Management personnel changes occurred:

- General Manager Digital, Media and Brand - Jay Allen (resigned 10 May 2016)
- Chief Commercial Officer - Nigel Clark (resigned 18 January 2016)

During the year, a total of $2,206,337 (2015: $2,672,786) of total remuneration was paid or was payable to these key personnel for services to the Football Club.

The Football Club is the sole unit holder in the PFS Unit Trust ("Premier Finance"). The results of Premier Finance are included in the consolidated results of the Football Club. Premier Finance operates mortgage financing services. During the year the Football Club did not loan Premier Finance any funds, $36 is owing to the Football Club by Premier Finance at 31 October 2016 (2015: $465). The loan has been eliminated on consolidation.

Carlton Football Club Foundation was established as a Prescribed Private Fund governed by a Trust Deed. The results of Carlton Football Club Foundation (trading as the Blues Foundation) are included in the consolidated results of the Football Club. Funds were loaned by The Football Club to The Carlton Football Club Foundation in prior years, with a total of $15,734 owing to the Football Club by the Carlton Football Club Foundation at 31 October 2016. During the year the Football Club did not loan the Foundation any funds. The loan has been eliminated on consolidation.

Blues Foundation (formerly known as the Carlton Football Community Fund) is a charitable trust governed by the terms of a Trust Deed. Mr. LoGiudice is a trustee of the Fund. The Blues Foundation conducts many programs each year including multi-cultural programs to benefit those in the community. The Football Club loaned the Blues Foundation $4,398 during the year to cover operational costs, $53,889 is owing to the Football Club by the Blues Foundation at 31 October 2016 (2015: $49,491).

The Blues Foundation is not a controlled entity of Carlton Football Club Limited and has not been consolidated.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 23 RELATED PARTY (CONT)

Director transactions with the Football Club

A number of directors of the Football Club, or their director-related entities, hold positions in other entities that result in them having control or significant influence over these entities.

The terms and conditions of the transactions with directors and their director related entities were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The aggregate amounts recognised during the year in relation to directors and their related entities were as follows:

Director	Service	Income/ (Expense) 2016	Receivable/ (Payable) 2016	Income/ (Expense) 2015	Receivable/ (Payable) 2015
M Clarke	Corp Sales / M'Ship	2,164	-	2,964	-
I Fried	Corp Sales/M'Ship	13,201	-	11,923	-
A Gleeson	Corp Sales / M'Ship	94,600 (5,794)	- -	6,181 -	- -
K Jenkins	Corp Sales / M'Ship	10,660	-	960	-
M LoGiudice	Corp Sales / M'Ship Goods	23,904 (2,704)	- -	14,228 (5,866)	- -
C Mathieson	Corp Sales / M'Ship	42,800	-	50,922	-
J Pratt AC	S'ship/M'Ship Goods	590,813 (10,091)	- -	598,055 (3,846)	- (110)
L Sayers	Corp Sales/ M'ship	20,779	-	36,718	-

Each director is allocated only one ordinary membership and is therefore entitled to only one vote in Club elections.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 23 RELATED PARTY (CONT)

Director transactions with the Football Club

During the 2016 financial year Mr Fried donated $40,000 towards the refurbishment of the Carlton Media Centre at Ikon Park. During 2015 financial year Mr LoGiudice donated a Hyundai vehicle to the Club to be raffled, which raised $37,000 and Mr Geminder donated a portrait of Chris Judd to the value of $20,000.

Director transactions with Australian Sports Foundation

The following directors contributed unconditional donations throughout the year to the Australian Sports Foundation, nominating their preference for their gift to benefit the Carlton Football Club. The Australian Sports Foundation makes the ultimate determination as to how the donations are dealt with and distributed.

Director	2016	2015
M Clarke	5,750	5,750
I. Fried	10,750	35,750
A Gleeson	-	12,750
K. Jenkins	750	-
M LoGiudice	34,000	44,250
C Mathieson	38,000	36,000
J Pratt	-	10,000
L Sayers	50,800	25,720

Director transactions with Carlton Football Club Foundation (trading as Blues Foundation)

The following directors contributed an unconditional donation throughout the year to the Carlton Football Club Foundation (t/as Blues Foundation). The Trustees of the Foundation make the ultimate determination as to how the donations are dealt with.

Director	2016	2015
M LoGiudice	50,000	-
J Pratt	25,000	-

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 24 PARTICULARS OF CURRENT DIRECTORS

Full Names and Office Held	Nature and Date of Change	Number of Years on Board	Experience/Background	Qualifications
CLARKE, Marcus Director	Continuing	9 years, 9 months	Mr Clarke has been a barrister since 1987 and has represented a number of Carlton players at the AFL Tribunal and in appeals from the Tribunal.	B.Ec., LL.B
FRIED, Isaac Director	Continuing	9 years, 11 months	Mr Fried is Executive Deputy Chairman Spotlight Group Holdings, which includes Spotlight, Anaconda and Spotlight property Group.	
GLEESON, Adrian Director	Continuing	10 years, 6 months	Mr Gleeson has over 25 years experience in the financial services sector. He is a Certified Financial Planner and senior executive of Tribeca Financial, a mid-tier financial planning firm based in Melbourne. Mr Gleeson is also Chairman and Group Director of the Johns Lyng Group, a national construction building services and insurance rectification business. He played 176 games for Carlton, was a member of the 1987 Premiership team and is a Life Member of the Club.	CFP, Dip FP
JENKINS, Kate Director	Continuing	1 year, 1 month	Ms Jenkins has 20 years' experience as an employment lawyer at Herbert Smith Freehills, including 14 years as partner. Ms Jenkins was the Victorian Equal Opportunity and Human Rights Commissioner until 2016 when she was appointed as the Australian Sex Discrimination Commissioner. In addition Ms Jenkins is a Director of Heide Museum of Modern Art.	BA (Hons) LLB (Hons)

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 24 PARTICULARS OF DIRECTORS (CONT.)

Full Names and Office Held	Nature and Date of Change	Number of Years on Board	Experience/Background	Qualifications
LOGIUDICE, Mark Director	Continuing	6 years, 6 months	Mr LoGiudice has been in the property industry since 1986 and is Managing Director of Crawfords Group, a family owned investment and development company, involved in commercial, industrial and retail property. Further to his property interests Mr LoGiudice is a Director of La Manna Premier Group, a national farming, marketing and logistics company of fresh produce.	
MATHIESON, Craig Director	Continuing	4 years	Mr Mathieson is Managing Director of the Mathieson Group; a diverse family business. Prior to joining the family business, Craig spent 10 years in the Banking Industry, He was previously the CEO of DMS Glass. Craig is currently Non Executive Director of ASX listed companies, Shaver Shop Ltd, Great Western Exploration and Abiliene Oil.	B Bus (Banking & Finance)
PRATT, Jeanne AC Director	Continuing	5 years, 7 months	Mrs Pratt is Co-Chairman of Visy the world's largest privately owned, paper and recycling company. Chair of The Production Company a non- profit theatrical company she founded in 1998. Philanthropist and arts patron.	Jeanne Pratt AC DUniv (Swin)
SAYERS, Luke Director	Continuing	4 years	Mr Sayers joined PwC in 1991 and in 2012 was appointed CEO of PwC Australia and Vice Chairman, PwC Asia Pacific. He is also Chair of the Melbourne Chapter of the Australian Business and Community Network (ABCN) and e.motion21. Member of Monash University's Industry Council of Advisors (MICA), the Genazzano FCJ College Council, and the Victorian Branch of the Male Champions of Change.	B Bus (Accounting) B Computing (Info Systems)

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2016

NOTE 24 PARTICULARS OF DIRECTORS (CONT.)

Directors Attendances at Board and Sub-Committee Meetings during the year:

Name	Board (Total 8)
M Clarke	8
I Fried	8
A Gleeson	7
K Jenkins	8
M LoGiudice	8
C Mathieson	8
J Pratt AC	6
L Sayers	6

The directors also serve time on the following sub-committees, which met on an ad-hoc basis as required:

- Finance, Audit & Risk – Luke Sayers (Chair), Zac Fried, Mark LoGiudice, Marcus Clarke, Craig Mathieson
- List Management – Adrian Gleeson
- Brand, Marketing & Communications – Zac Fried (Chair)
- Independent Nominations – Mark LoGiudice
- AFL Compliance, Risk & Integrity – Marcus Clarke (Chair), Mark LoGiudice
- Community & Diversity – Kate Jenkins (Chair)
- Commercial Projects – Mark LoGiudice, Jeanne Pratt *(note Steven Trigg is Chair of this Committee)*

CARLTON FOOTBALL CLUB LIMITED

- **DIRECTORS' DECLARATION**

At 31 October 2016

In accordance with a resolution of the Directors of Carlton Football Club Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes of Carlton Football Club Ltd are in accordance with the Corporations Act 2001, including;

(i) giving a true and fair view of the company's financial position as at 31 October 2016 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable as noted in Note 2c.

On behalf of the Board

MARK LOGIUDICE
President

7 December 2016

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Independent auditor's report to the members of Carlton Football Club Limited

Report on the financial report

We have audited the accompanying financial report of Carlton Football Club Limited, which comprises the consolidated statement of financial position as at 31 October 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Independence

In conducting our audit we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

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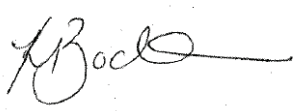
Opinion

In our opinion the financial report of Carlton Football Club Limited is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the financial position of the consolidated entity at 31 October 2016 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Ernst & Young



Kylie Bodenham

Partner

Melbourne

7 December 2016

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